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Global Yarn and Fabric Output Rose in Q3/2012

Estimates for 4/2012 as well as Outlook for 1/2013 for Global Yarn and Fabric Production Are Stable

Output of global **yarn production** rose in the Q3/2012 in comparison to the previous one due to higher output in Asia South and America, while production in Europe and North America was down. Also in comparison to last year's third quarter yarn production rose in all regions apart from North America. Global **yarn stocks** rose slightly in Q3/2012 in comparison to the previous quarter mainly due to higher stocks in Asia and South America. On an annual basis yarn inventory decreased due to lower stocks in Asia and South America and despite an increase in Europe. **Yarn orders** in Q3/2012 were down both in Europe and Brazil in comparison to Q2/2012. On an annual basis yarn orders were up in Europe but down in Brazil.

World **fabric production** increased in Q3/2012 inspite of lower output in Europe due to increased production levels in Asia and South America. Year-on-year global fabric production was down; while it increased in Europe, it decreased both in Asia and South America. Global **fabric stocks** rose slightly in in comparison to Q2/2012 as a consequence of higher inventories in Asia and South America and despite lower ones in Europe and North America. Year-on-year fabric stocks were up due to higher stocks in South America and despite lower ones in North Europe and America. **Fabric orders** decreased in Q3/2012 both in Europe and Brazil compared to the previous one and also year-on-year.

The **estimates for global yarn and fabric production** in the 4th compared to the 3rd quarter of 2012 are positive in Asia, stable in Europe and negative in South America. The **outlook for global yarn and fabric production** in Q1/2013 remains stable. Regional-wise Asia is expecting stable production levels, while the outlook in Europe is negative for yarn and stable for fabric production. In South America the outlook for both yarn and fabric production is positive.

In comparison with the previous quarter, world **yarn output** rose in Q3/2012 by +7.5% as a result of high production in Asia (+8.5%), due to higher output in China (+9.3%), India (+7.6%), and Pakistan (+1.9%). Yarn production in South America increased by +2.6%. Yarn output fell significantly in North America (-10.0%) and to a lesser extent in Europe (-7.3%). Year-on-year global yarn production rose by +12.8% with output up in South America (+13.5%), Asia (+13.5%) and Europe (+10.2%) but down in North America (-17.0%).

Compared with the previous quarter global **fabric production** rose by +3.0% in Q3/2012 as a consequence of higher output in Asia (+4.0%) and South America (+2.7%). In Europe fabric production fell by -6.5%. In comparison to Q3/2011 world fabric production was down by -5.1% with Asia and South America reporting decreases of -6.3% and -2.5%, respectively. In Europe on the other hand output increased by +4.9 % on an annual basis.

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Global **yarn inventories** fell by -3.8% in Q3/2012 compared to the previous both Asia (-4.7%) and South America (-3.4%) recording lower inventories, while stocks remained unchanged in Europe. On an annual basis global yarn stocks dropped by -17.8%, a consequence of lower stocks in Asia (-26.8%), South America (-7.1%) and Europe (-0.9%).

Global **fabric stocks** were up by +0.5% due to higher inventories in South America (+2.4%), and Asia (+0.5%), while inventories in both Europe and North America decreased by -2.0% and -0.4%, respectively. Year-on-year, global fabric inventories increased by +1.0%. This was due to higher fabric stocks in South America (+7.8%) and despite lower fabric stocks in North America and Asia with reductions of -10.7% and -6.7%, respectively.

Yarn orders in both Europe and Brazil were down in Q3/2012 compared to the previous one by -2.9% and -3.3%, respectively. Year-on-year yarn orders rose in Europe by +5.3% but fell in Brazil by -3.6%.

In Brazil and Europe **fabric orders** in the Q3/2012 decreased by -7.2% and -2.2%, respectively. on an annual basis fabric orders fell with Europe recording a drop of -6.9% and Brazil of -3.7%.

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